Supreme Court, U.S.
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No. 94-445

IN THE
Supreme Court of the United States
OCTOBER TERM, 1994

UNIVERSAL MONEY CENTERS, INC.,
Petitioner,

v.

AT&T CORP. and UNIVERSAL BANK,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Tenth Circuit

RESPONDENTS' BRIEF IN OPPOSITION

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STATEMENT REQUIRED BY RULE 29.1

AT&T Corp. has no parent company. AT&T Capital Corporation (and its subsidiary AT&T Credit Corporation), AT&T Global Information Solutions Company, Lin Broadcasting Corporation, and Novell, Inc. are subsidiaries of AT&T having outstanding debt in the hands of the public.

The parent company of Universal Bank is Synovus Financial Corp. Universal Bank has no subsidiaries.

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RESPONDENTS' BRIEF IN OPPOSITION

REASONS FOR DENYING THE PETITION

In this case, the Tenth Circuit upheld a decision that granted summary judgment for AT&T in a trademark dispute. The court of appeals agreed with the district court that petitioner had not presented sufficient evidence of likelihood of confusion to permit a jury finding that AT&T's introduction and marketing of the AT&T Universal Card had infringed trademarks of petitioner that have the term Universal Money as an element.

The Tenth Circuit's decision is a correct application of well settled legal standards to unique facts. It does not conflict with the decisions of any other court of appeals and otherwise presents no issue warranting review by this Court. Indeed, the only way petitioner can argue otherwise is by misstating both the grounds for the decision below and the prior proceedings.

1. This case arises from AT&T's offering of the AT&T Universal Card, which is a combination VISA or MasterCard credit card, and a telephone calling card. Petitioner brought this action pursuant to the Lanham Act, 15 U.S.C. § 1057 *et seq.*, claiming that the AT&T Universal Card infringed four trademarks petitioner holds, each of which had the term Universal Money as an element.

Following almost two years of discovery, AT&T filed a motion for summary judgment, which AT&T supported with affidavits and other record evidence. AT&T demonstrated that there was no genuine factual dispute on the question whether there was a likelihood of confusion in the marketplace on the part of consumers between the AT&T Universal Card and petitioner's trademarks. Likelihood of confusion is an essential element of petitioner's claims under the Lanham Act, see 15 U.S.C. §§ 1114(1), 1125(a); *Coherent, Inc.* v. *Coherent Technologies, Inc.*, 935 F.2d 1122, 1124 (10th Cir. 1991); *GTE Corp.* v. *Williams*, 904 F.2d 536, 539 (10th Cir. 1990).

In seeking summary judgment, AT&T noted that likelihood of confusion is determined under a multi-factor analysis. The trier of fact is to consider the degree of similarity between the competing marks, the intent of the alleged infringer, the relation between the use and manner of marketing of the goods and services of the parties using the competing marks, and the degree of care likely to be exercised by purchasers. See, *e.g.*, *Jordache Enters., Inc.* v. *Hogg Wyld, Ltd.*, 828 F.2d 1482, 1484 (10th Cir. 1987); *Beer Nuts, Inc.* v. *Clover Club Foods Co.*, 805 F.2d 920, 925 (10th Cir. 1986). Other factors are also relevant, including whether or not there has been actual confusion in the marketplace. See Pet. App. B7 (and cases cited).

The district court granted AT&T's motion. *Id.* at C1-C17. It held that petitioner had failed to demonstrate that there was any disputed issue of material fact on the question of likelihood of confusion. *Id.* at C5-C12. In

light of the dissimilarity in appearance of the competing marks, and the strong affirmative evidence of lack of actual confusion in the marketplace presented by AT&T, the district court concluded that petitioner's evidence was insufficient to raise a genuine issue of material fact. *Id.* at C10.[1] The district court accordingly concluded that no reasonable jury could find that there was a likelihood of confusion between the competing marks. The Tenth Circuit affirmed the district court's conclusion. *Id.* at B1-B33.

2. Petitioner challenges the Tenth Circuit's decision solely by arguing that it was improper for the district court to grant summary judgment because the question of likelihood of confusion in trademark cases is a question of fact. Pet. 11-13. Summary judgment is "an integral part of the Federal Rules as a whole, designed 'to secure the just, speedy, and inexpensive determination of every action.'" *Celotex Corp.* v. *Catrett*, 477 U.S. 317, 327 (1986) (quoting Fed. R. Civ. P. 1). This rule is fully applicable to trademark cases. See *Boston Athletic Ass'n* v. *Sullivan*, 867 F.2d 22, 24 (1st Cir. 1989) (holding that summary judgment is appropriate in trademark cases); *Warner Bros. Inc.* v. *American Broadcasting Cos.*, 720 F.2d 231, 246-47 (2d Cir. 1983) (same). Once AT&T came forward with a showing that there was no genuine issue of fact on the question of likelihood of confusion, petitioner was required to "set forth specific facts showing that there [was] a genuine issue for trial." *Anderson* v. *Liberty Lobby, Inc.*, 477 U.S. 242, 256

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[1] Numerous additional factors supported that conclusion. For example, petitioner markets only services related to automated teller machines, which include debit cards. The AT&T Universal Card, by contrast, is a combination telephone calling card and a retail credit card. Moreover, the undisputed facts showed that AT&T did not adopt the name AT&T Universal Card in an effort to trade on petitioner's good will in its trademarks; the $60 million that AT&T spent in marketing the AT&T Universal Card makes any suggestion to the contrary fanciful.

(1986). The courts below correctly concluded that petitioner failed to make such a showing.

Petitioner nonetheless complains that the courts below improperly "weighed" the evidence and made factual findings at the summary judgment stage, and that its Seventh Amendment rights were thereby violated. That contention is incorrect. Both the district court and court of appeals applied well established summary judgment standards. See Pet. App. B4-B5, B21-B22 (court of appeals), C2-C3 (district court). They gave petitioner the benefit of every favorable inference (*id.* at B20, C3, C7), and concluded that no reasonable factfinder could find a likelihood of confusion due to the overwhelming evidence of lack of confusion presented by AT&T and petitioner's failure to come forward with even a "scintilla" of evidence in response.[2] *Anderson*, 477 U.S. at 252. That fact-specific conclusion does not warrant this Court's review.

3. Petitioner also complains (Pet. 10-11) that the district court and court of appeals ignored a different ground that might have supported a finding of infringement against AT&T: that consumers would be confused into thinking that the AT&T Universal Card and petitioner's ATM services have a common affiliation or common sponsorship. See 15 U.S.C. § 1125(a). However, the courts below rejected this "common sponsorship" argument by finding insufficient evidence of likelihood of confusion.

In particular, the district court and Tenth Circuit recognized that petitioner was asserting a claim under 15

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[2] Petitioner also contends (Pet. 12-13) that the lower courts should have treated AT&T as asserting a trademark in the word universal alone. The record reflects that AT&T has never used the term universal alone in the marketplace, but has always used the term in conjunction with the AT&T trademark; and petitioner has likewise never used the word universal standing alone, but instead has always used it in conjunction with the term money.

U.S.C. § 1125(a), which is the statutory source for its "common sponsorship" argument. See Pet. App. B4, C2.[3] Moreover, although the courts below did not separately analyze the common sponsorship issue, both courts noted that a likelihood of confusion is an essential element of such a claim. See *id.* In fact, a single "likelihood of confusion test" applies both to general infringement claims under 15 U.S.C. § 1114(1), and "in the context of confusion that results from a mistaken belief in common sponsorship or affiliation." *GTE Corp.* v. *Williams*, 904 F.2d 536, 539 (10th Cir. 1990) (quoting *Amoco Oil Co.* v. *Snow*, 748 F.2d 556, 558 (10th Cir. 1984)). See also *Coherent, Inc.* v. *Coherent Technologies, Inc.*, 935 F.2d 1122 (10th Cir. 1991). Thus, in concluding that there was insufficient evidence to support a finding of a likelihood of confusion, both the district court and the Tenth Circuit rejected petitioner's common sponsorship argument.

4. Finally, petitioner claims that it was improper for the district court to grant summary judgment because there had then been outstanding discovery disputes, and, petitioner claims, the district court should have postponed ruling on the summary judgment motion until petitioner concluded taking any additional discovery to which it was entitled. The Tenth Circuit had two separate reasons for rejecting this claim. First, Fed. R. Civ. P. 56(f) provides that a motion for summary judgment cannot be continued

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[3] 15 U.S.C. § 1125(a)(1)(A) provides for civil liability against any person who uses a mark in a manner that:

> is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . .

Id. Courts have interpreted this provision to create so-called common affiliation or common sponsorship claims like the one petitioner raises in this Court. See, *e.g.*, *Worthington Foods, Inc.* v. *Kellogg Co.*, 732 F. Supp. 1417, 1453-54 (S.D. Ohio 1990).

on such grounds unless "it appear[s] from the *affidavits* of a party opposing the motion that the party cannot . . . present . . . facts essential to justify . . . [its] opposition" without further discovery. Fed. R. Civ. P. 56(f) (emphasis added). The Tenth Circuit thus rejected petitioner's claim on the ground that petitioner had "failed to file a Rule 56(f) affidavit explaining why it could not present facts to oppose AT&T's motion." Pet. App. B23.

Alternatively, the Tenth Circuit held that petitioner's claim was baseless "even if we assume that strict compliance with [Rule 56(f)] is not required" and "that the district court was apprised of [petitioner's] alleged need for the requested discovery." Pet. App. B23. The Tenth Circuit held that a party cannot postpone a ruling on summary judgment unless it at least attempts "to demonstrate 'how additional time [would have] enable[d it] to rebut [the] allegations of no genuine issue of fact,'" and petitioner "ha[d] failed to [do so]." *Id.* at B23 (quoting *Dreiling* v. *Peugeot Motors of Am., Inc.*, 850 F.2d 1373, 1377 (10th Cir. 1988). Here, petitioner had failed to offer any reason to believe that the discovery it sought would be useful in rebutting AT&T's summary judgment motion. *Id.* at B23-B24. Indeed, the Tenth Circuit stated that it "fail[ed] to see how" the information that petitioner belatedly claimed it wanted to develop through further discovery—a survey of AT&T Universal Card holders in the Kansas City and St. Louis metropolitan areas—"can possibly produce more evidence of actual confusion" than had already been presented. *Id.* at B24.[4]

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[4] In particular, petitioner offered no reason to believe that the survey it contemplated would show anything different from the rest of the evidence in the case—that there was no substantial evidence of likelihood of confusion. Moreover, although the record reflects some 400 attempts by AT&T Universal Card holders to use their cards at petitioner's ATMs (out of millions of transactions at those ATMs), petitioner asserts (Pet. 22-23) that more than those 400 incidents must have occurred. There is nothing in the record, however, to support that assertion.

Petitioner challenges this aspect of the decision by focusing solely on the Tenth Circuit's holding that petitioner's failure to file a Rule 56(f) affidavit was fatal to its claim, and by stating, correctly, that there is a conflict among the circuits on the question whether Rule 56(f) strictly requires a party opposing summary judgment to file an affidavit. Pet. 15-26; see n.5, *supra* (listing cases). Petitioner fails to note, however, that each of the other circuits *agrees* with the Tenth Circuit's alternative holding: that a party who opposes summary judgment on such grounds must, at a minimum, specifically demonstrate how additional discovery could create a material issue of fact.

In particular, even circuits that do not strictly enforce Rule 56(f)'s textual requirement of an affidavit agree with the Tenth Circuit that a party opposing summary judgment must, at a minimum, specify "facts explaining the inability to make a substantive response." *SEC* v. *Spence & Green Chem. Co.*, 612 F.2d 896, 901 (5th Cir. 1980). In every decision claimed to conflict with the Tenth Circuit's holding, the party seeking to avoid summary judgment specifically alerted the district court —at the time the summary judgment motion was pending —to the need for further discovery and the grounds on which that discovery was justified.[6] In this case, by contrast, petitioner did no such thing. Petitioner never argued before the district court that the pending discovery matters were essential to its ability to oppose AT&T's

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[6] See *Opryland USA Inc.* v. *Great Am. Music Show, Inc.*, 970 F.2d 847, 852-53 (Fed. Cir. 1992); *Martin* v. *D.C. Metro. Police Dep't*, 812 F.2d 1425, 1437-38 (D.C. Cir. 1987) (dicta); *Sames* v. *Gable*, 732 F.2d 49, 52 (3d Cir. 1984); *Wichita Falls Office Assocs.* v. *Banc One Corp.*, 978 F.2d 915, 918-20 (5th Cir. 1992); *Costello, Porter, Hill, Heisterkamp & Bushnell* v. *Providers Fidelity Life Ins. Co.*, 958 F.2d 836, 837-38 (8th Cir. 1992); *Visa Int'l Serv. Ass'n* v. *Bankcard Holders of Am.*, 784 F.2d 1472, 1475-76 (9th Cir. 1986); *Dean* v. *Barber*, 951 F.2d 1210, 1214 n.3 (11th Cir. 1992).

summary judgment motion.[6] In these circumstances, no court of appeals would have reversed the district court's grant of summary judgment, and this case thus does not present any conflict among the circuits warranting this Court's review.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted,

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[6] Petitioner claims (Pet. 16-17) that the district court was aware of the purported need for further discovery simply because a motion to compel was pending at the time the district court granted summary judgment. However, petitioner failed even to mention in opposing summary judgment that it purportedly needed further discovery, much less to comply with clear circuit law requiring it to file an appropriate Rule 56(f) affidavit. There is therefore no basis for petitioner's assertion that the district court knew that the pending discovery was essential to petitioner's opposition to summary judgment, and it was entirely reasonable to treat the pending motion to compel as moot.